

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

October 12, 1999

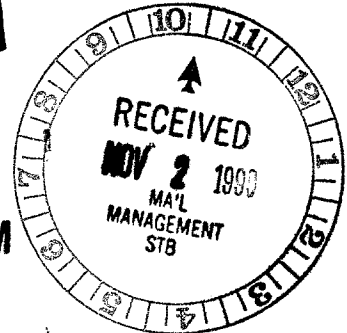
Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECORDATION NO. **22521**

FILED

NOV 16 '99

9-30AM



Dear Mr. Williams:

Enclosed are two (2) originals of the Memorandum of Locomotive Lease Agreement dated as of June 24, 1999 between the following parties:

Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Kyle Railroad Company c/o Kiamichi Railroad Co., L.L.C. 800 Martin Luther King Blvd. Hugo, OK 74743

The equipment involved in this transaction is as follows:

Equipment:	Six (6) locomotives more fully described in <u>Schedule A</u> to the Memorandum.
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Please file this Memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Yours truly,

Alison Drain
Document Administrator

/ad
Enclosures (2)

MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

NOV 16 '99

9-30AM

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT ("Memorandum") is dated as of June 24, 1999 and is intended to evidence that certain Locomotive Lease Agreement dated as of June 24, 1999 ("Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and KYLE RAILROAD COMPANY, a corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the locomotives, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

HELM FINANCIAL CORPORATION

By: 

Print Name: Richard C. Kirchner

Title: President

LESSEE

KYLE RAILROAD COMPANY

By: 

Print Name: Richard W. JANY

Title: General MANAGER

CM

SCHEDULE A

TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description: Six (6), SD40 locomotives.

Unit Numbers:

HLCX 5001

HLCX 5002

HLCX 5004

HLCX 5005

HLCX 5019

HLCX 5021

CM

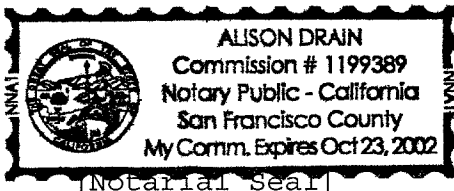
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On October 11, 1999, before me, Alison Drain, personally
appeared Richard C. Kirchner, President of HELM FINANCIAL CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.



WITNESS my hand and official seal.

Alison Drain
Signature of Notary Public

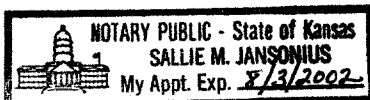
STATE OF Kansas)
) S.S.
COUNTY OF Phillips)

On September 29, 1999, before me, Sallie M Jansonius, personally
appeared Richard W. Tany, General Manager of
KYLE RAILROAD COMPANY,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and
acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.



WITNESS my hand and official seal.

Sallie M Jansonius
Signature of Notary Public